



Department of Justice

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Eastern District of California

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NINE DEFENDANTS CHARGED IN CONNECTION WITH MORTGAGE FRAUD SCHEME

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott announced today that a federal grand jury returned an indictment today charging JOY JOHNSON, 33, of Vacaville, Calif., CORY WHALEN, 33, of Solano County, ELIZABETH CARRION, 38, of Vacaville, LENIN GALEANO, 32, of Vacaville, CARMEN GALEANO, 30, of Vacaville, ANGELITO EVANGELISTA, 39, of San Francisco, CLARISA ANG, age 43, of Elk Grove, Calif., CRIS ANG, 46, of Elk Grove, and LYDIA ANG, 71, of American Canyon, Calif., in connection with a mortgage fraud scheme involving the purchase of 13 real estate properties in Solano County in 2006. Each of the defendants was previously charged in a Criminal Complaint filed June 18, 2008, which complaint coincided with the Nationwide “Operation Malicious Mortgage” takedown. Several of the defendants are scheduled to be arraigned tomorrow afternoon before United States Magistrate Judge Edmund F. Brennan.

This case is the product of an extensive investigation by the Federal Bureau of Investigation, the Internal Revenue Service-Criminal Investigation, and the California Department of Real Estate.

According to Assistant United States Attorney Courtney J. Linn, who is prosecuting the case, the indictment charges ELIZABETH CARRION, ANGELITO EVANGELISTA, CLARISA ANG, CRIS ANG, and LYDIA ANG with mail fraud arising out of their involvement in the fraudulent purchase of 11 real estate properties between May 2006 and September 2006.

The indictment further charges LENIN GALEANO, CARMEN GALEANO, CRIS ANG and CLARISA ANG with making false statements to a financial institution in connection with the purchase of two additional real estate properties in April and May of 2006. Finally, the indictment charges ELIZABETH CARRION, ANGELITO EVANGELISTA, CRIS ANG, CLARISA ANG, CORY WHALEN, LYDIA ANG, and JOY JOHNSON with engaging in monetary transactions involving more than \$10,000 in criminally derived property.

The scheme involved purchasing properties at prices substantially higher than the list price without the lenders' knowledge. They were entirely financed with so called "80/20" loans. The difference between the list price and the inflated sales price was then credited at the close of escrow to fictitious businesses controlled by the defendants and others. The defendants and others then used the credited funds mainly to make mortgage payments on the properties and for their own living expenses. In addition, the loan applications contained false information about income, personal assets, and intent to occupy the property as a primary residence. Most of the loans that were secured by the properties have either been foreclosed upon or are in default.

The maximum penalty for mail fraud is 20 years in prison, a fine of up to \$250,000, or both. The maximum penalty for making a false statement to a financial institution is 30 years in prison, a fine of up to \$1,000,000, or both. The maximum penalty for engaging in a monetary transaction involving criminally derived property is 10 years, a fine of up to \$250,000, or both. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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